

10/2/2003

Fiscal Agent Fee

The City of Minneapolis incurs costs when it acts as Fiscal Agent for local projects financed with State of Minnesota general obligation bonds. Fees are intended to recover City costs related to projects funded by this source. For each State bond financed project the City will charge the following fees:

- Initial Fee to reflect City costs to negotiate agreements among the parties (City, State, and Applicant),
- Construction Management Fee to reflect City costs to oversee construction when State funds are contributed during construction, and
- Annual Fee to reflect costs to monitor the governmental use of the facility.

Initial Fee

This fee is paid to the City after the applicant's proposal is approved for State funding and the applicant gives notice to the City that it wishes to commence negotiations with the City and the State. If permitted by the State the City's Initial Fee is an eligible cost that may be paid from the State appropriation.

The Initial Fee is \$15,000 plus 0.10% of total development costs.

The following table shows various total development costs and related initial fee amounts.

Total Development Costs	Initial Fee
\$500,000	\$15,500
\$1,000,000	\$16,000
\$5,000,000	\$20,000
\$10,000,000	\$25,000
\$25,000,000	\$40,000

Construction Management Fee

If State bond proceeds are contributed during construction, the City will be responsible for monitoring construction management in accordance with the agreements among the parties. The amount of the fee will be determined by the City based on the complexity of the project and the City's responsibilities for construction management oversight. This fee will be payable during construction in accordance with the agreements among the parties.

If State bond proceeds are paid after construction is complete (an "end grant") no construction management fee will be due the City.

Annual Fee

The Annual Fee is due December 1 of each year following the effective date of the agreement between the City and the applicant. The Annual Fee will continue to be paid by the applicant until the State no longer requires the City to act as the fiscal agent, regardless of whether the State's bonds are outstanding.

The Annual Fee is:

\$2,500 for projects receiving less than \$1 million in State funding
\$5,000 for projects receiving \$1 million or more in State funding

The above fee schedule is based on State contracting and funding practices as of October 2003. Changes in State law or practice may require changes to this fee policy. If the City finds that the cost to negotiate and administer State bond financed projects is materially different than the fees received, the City may amend this fee schedule.